



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 9, 2008

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 2781 HD2 SD2 CD1

On July 8, 2008, House Bill No. 2781, entitled "A Bill for an Act Relating to Small Business" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purposes of this bill are to: (1) set forth rights that small businesses in Hawaii should have; (2) require agencies that are proposing an administrative rule that is more stringent than comparable or related federal, State, or county standards to provide additional information in their small business impact statements; and (3) require the Small Business Regulatory Review Board to convene a working group to review the rulemaking provisions under chapter 201M, Hawaii Revised Statutes.

As an advocate for small businesses in Hawaii, I appreciate this bill's attempt to guard against rules that may be excessively or unnecessarily confining to the detriment of our State's small businesses. However, this bill requires agencies to identify comparable or related federal, State, or county standards that are less stringent than the agency's proposed rule, compare their purposes, application, and administration, compare their monetary costs and benefits, compare their adverse effects on small businesses, and justify why the more rigorous rule is needed.

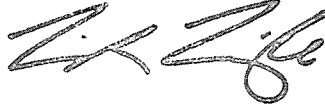
These requirements exceed the original rule-making notice and comment process contained in chapter 91 of Hawaii Revised Statutes. They transform the rule-making procedures into an extensive documentation effort that may not significantly benefit the State or small businesses and further lengthen the rule-making process.

Given that State agencies are already required to conduct a small business impact statement for proposed rules, I am hopeful these new requirements will be judiciously applied.

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and Members of the Senate
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For the foregoing reasons, I allowed House Bill No. 2781 to become law as Act 230,
effective July 8, 2008, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Lingle', with a stylized, cursive script.

LINDA LINGLE